

# Commonwealth Schools of Insurance

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P.O. Box 22414, Louisville, KY 40252-0414 • 502.425.5987 • FAX 502.429.0755  
E-mail: [info@commonwealthschools.com](mailto:info@commonwealthschools.com)

## INSTRUCTIONS TO COMPLETE THE CONTINUING EDUCATION COURSE

Thank you for choosing the Commonwealth Schools of Insurance to fulfill your continuing education requirements.

Please follow the instructions below to complete the course:

### STEP 1

Please print out the ANSWER SHEET, CERTIFICATE and QUESTIONS that follow this page. After printing the ANSWER SHEET, please fill out the requested information clearly and completely.

### STEP 2

TEST QUESTIONS must be answered on the page that follows. You must score 70% or better to received credit for this course.

### STEP 3

After completing the TEST and STUDENT INFORMATION marked with a "X" on the Certificate of Completion, the completed Answer Sheet and Certificate may be emailed, faxed or mailed to:

Emailed to:	<a href="mailto:info@commonwealthschools.com">info@commonwealthschools.com</a>
Faxed to:	502.429.0755
Mailed to:	Commonwealth Schools of Insurance, Inc. P O Box 22414 Louisville, KY 40252-0414

Please note that your ANSWER SHEET and CERTIFICATE will not be processed without payment. Payment arrangements are listed on the ANSWER SHEET.

### **YELLOW CARD SPECIAL**

*Simply complete and return all 24 hours of CE at the same time.  
Regardless of the prices listed, your total charge will be*

***\$110.00***

### NOTICE

*The material contained herein may not be duplicated without the express written permission of Commonwealth Schools of Insurance.*

*The material contained in this course cannot be used as an original source of authority on legal matters. Any references made to laws and regulations in this material have been edited and summarized for clarity; and changes in these laws and regulations may have occurred since this course was published. The reader should always consult legal counsel as appropriate.*

Commonwealth of Kentucky  
Department of Insurance - Agent Licensing Division  
P. O. Box 517 - Frankfort, Ky. 40602  
502-564-6004 <http://insurance.ky.gov>

APPROVED CONTINUING EDUCATION COURSE

CERTIFICATE OF COMPLETION

STUDENT NAME: **X** \_\_\_\_\_

CONTINUING EDUCATION COURSE IDENTIFICATION

Course Title:                     *Ethical Issues - Part I*                    

Course Certification Number:                     *C98461*                    

Course Completion Date: \_\_\_\_\_ Number of Hours:   *3*  

Instructor Name:                     *PLEASE LEAVE BLANK*                      
(Required if certification is for a classroom course)

Provider Name:                     *Commonwealth Schools of Insurance, Inc.*                    

Provider Certification Number:                     *S12128/PROV0085*                    

PROVIDER CERTIFICATION:

*I hereby certify that this course was conducted as approved by the Commonwealth of Kentucky Department of Insurance. I further certify that the person whose name appears above did personally complete this course on the date indicated. Also, I acknowledge that fraudulent certification of this document will result in immediate withdrawal of approval of the provider, plus penalties, and simultaneous withdrawal of approval of all of the provider's courses (KRS 304.9-295 and 806 KAR 9:220).*

Name:                     *James F Davis*                      
Authorized Provider Representative

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

STUDENT CERTIFICATION:

*I hereby certify that I personally completed the course listed above in the manner required to satisfy Kentucky's continuing education laws and regulations. Also, I acknowledge that fraudulent certification of completion of this course will result in cancellation of my agent, adjuster, and/or life settlement broker licenses (KRS 304.9-295 and 806 KAR 9:220).*

Name: **X** \_\_\_\_\_ DOI# or NPN: **X** \_\_\_\_\_

Signature: **X** \_\_\_\_\_ Date: **X** \_\_\_\_\_

*The provider is required by law to give the student who successfully completes any continuing education course the original of this form upon completion of the course and to retain a copy in the provider's records for at least five years.  
For a classroom course, the provider is required by law to submit the Continuing Education Course Attendance Roster (Form CE-300) to the Department of Insurance within thirty days through eServices electronic submission. Students must verify that credit has been recorded for this class by visiting our website at: <http://insurance.ky.gov>. If credit does not appear, please verify with the provider that the Roster has been submitted. If the Roster has been submitted and you do not receive credit, please forward this original document to the Department directly, and keep a copy for your file.  
For all correspondence credits, the provider must submit the Course Completion to the Department through eServices, or the student must mail this original form to DOI and verify credit on our website, as required by KRS 304.9-295(10)(11).*

# Ethical Issues – Part I

(3 credit hours – Approved for Ethics Credit in Kentucky)

**PLEASE PRINT CLEARLY**

First Name	M.I.	Last Name	DOI No. and NPN No.
Home Mailing Address		City	State      Zip Code
Business Name			
Business Address		City	State      Zip Code
Home Telephone	Business Telephone		Email Address
Date of Birth	Month	Year	Fax Number

Please send COMPLETED ANSWER SHEET, CERTIFICATE and PAYMENT VIA:

Emailed to: info@commonwealthschools.com  
 Faxed to: 502.429.0755  
 Mailed to: Commonwealth Schools of Insurance, Inc.  
 P O Box 22414  
 Louisville, KY 40252-0414

1    A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	11   A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	21   A B C D <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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**YELLOW CARD SPECIAL**

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 Regardless of the prices listed, your total charge will be \$110.00*

**CHECKS AND ALL MAJOR CREDIT CARDS ARE ACCEPTED:  
 COURSE FEE \$25.00      or       Check Here for Yellow Card Special**

CARD NO. \_\_\_\_\_ EXP DATE \_\_\_\_\_ CV2 NO. \_\_\_\_\_

CREDIT CARD BILLING ADDRESS \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

# ETHICAL ISSUES – PART I

## EXAMINATION QUESTIONS

- In our society, both individuals and businesses depend on the insurance product to provide essential services and protect them from.
  - Financial Disaster
  - Termination
  - Emotional Disaster
  - Tax Liability
- In his analysis of the insurance industry, Lawrence G. Brandon, CPCU, identified the following as a weakness of the insurance industry:
  - Lack of leadership allows insurance organizations to be driven by stockholder expectations rather than long-term goals
  - Slow sales growth during a recession.
  - Both A & B
  - None of the above
- Dr. Huebner believed the success of the industry depended on individuals who were both and
  - Experienced, Moral
  - Knowledgeable, Ethical
  - Popular, Influential
  - Compassionate, Emotional
- Common areas where your integrity may be tested include: advertising, product sales, processing errors, and
  - Experience
  - Disclosure
  - Morality
  - Personality
- In exercising reasonable and prudent judgment, you may rely on your experience, knowledge, and education to determine an appropriate course of action. Again, prudent judgment does not imply
  - Perfect judgment
  - Experience
  - Failure
  - None of the aforementioned
- Aside from the various security regulations, you may have a conflict of interest when you make recommendations concerning companies in which you have a
  - Recommendation
  - Knowledge
  - Opinion
  - Financial stake
- To effectively provide competent advice and financial planning, you must have attained and maintained an adequate level of \_\_\_\_\_ and \_\_\_\_\_.
  - Commissions, Fees
  - Sales, Production
  - Knowledge, Skill
  - None of the aforementioned

8. In dealing with your clients, you should not only be well versed in the subject matter (e.g. retirement planning), but also you should have with the subject.
- A. Experience
  - B. Financial Stake
  - C. Opinions
  - D. Recommendations
9. The duty to remain informed covers several areas: client information, relevant market information, tax information, and
- A. Professional development
  - B. Sales goals
  - C. Commission schedules
  - D. Lapse ratios
10. Fairness requires impartiality, intellectual honesty, and
- A. Compassion
  - B. Disclosure of conflicts of interests
  - C. Personality
  - D. Low compensation
11. In addition to maintaining an open relationship with clients where disclosure is customary, fairness dictates that you act with
- A. Honesty and impartiality
  - B. Humility and compassion
  - C. Respect
  - D. All of the aforementioned
12. You may not disclose any nonpublic personal information about a client to a
- A. Nonaffiliated third party
  - B. Insurance underwriter
  - C. Treating physician
  - D. None of the aforementioned
13. There are several areas where you should strive to work with other professionals. You should cooperate with professionals regarding \_\_\_\_\_ or \_\_\_\_\_.
- A. Current clients, Previous clients
  - B. Switching policies, Replacing contracts
  - C. Selling away, Churning
  - D. All of the aforementioned
14. The resources of most local, state, and federal agencies are limited. As a professional, you have a duty to report instances of
- A. Disintermediation
  - B. Suitable sales
  - C. Due diligence
  - D. Unethical or illegal conduct
15. In addition to providing timely, accurate and thorough service to your clients, diligence also entails your ongoing planning and supervision of \_\_\_\_\_.
- A. Agency contracts
  - B. Commission statements
  - C. Client accounts
  - D. Bonuses and awards

16. For purposes of this Code of Ethics , a person recognized and certified by CFP Board to use the marks is called a
- A. CFP Board designee
  - B. CFP approved planner
  - C. CFP PFP
  - D. Actuary
17. A CFP Board designee is obligated to determine what responsibilities he or she has in each including, for example, duties that arise in particular circumstances from a position of trust or confidence that a CFP Board designee may have
- A. Professional relationship
  - B. Line of business
  - C. Account
  - D. None of the aforementioned
18. Integrity demands honesty and candor which must not be subordinated to \_\_\_\_\_ and \_\_\_\_\_.
- A. Continuing education, Licensing
  - B. Personal gain, Advantage
  - C. Personal opinion, Disadvantage
  - D. Objectivity, Morality
19. One is competent only when he or she has attained and maintained an \_\_\_\_\_ level of knowledge and skill, and applies that knowledge effectively in providing services to clients.
- A. Expert
  - B. Substantial
  - C. Adequate
  - D. Overwhelming
20. A CFP Board designee shall not make a \_\_\_\_\_ about the size, scope or areas of competence of the CFP Board designee's practice or of any organization with which the CFP Board designee is associated
- A. False or misleading communication
  - B. True and accurate statement
  - C. Substantially correct statement
  - D. All of the aforementioned
21. A CFP Board designee shall offer advice only in those areas in which the CFP Board designee has competence. In areas where the CFP Board designee is not professionally competent, the CFP Board designee shall
- A. Suggest a course of action based on the designee's opinion
  - B. Not represent the client any further
  - C. Refuse to assist the client further
  - D. Seek the counsel of qualified individuals and/or refer clients to such parties
22. In rendering professional services, a CFP Board designee shall disclose to the client
- A. Nothing
  - B. Material information relevant to the professional relationship
  - C. Nothing unless specifically asked
  - D. All information whether relevant or not

23. \_\_\_\_\_, the CFP Board designee in a financial planning engagement shall communicate in reasonable detail the requested compensation information related to the financial planning engagement, including compensation derived from implementation.
- A. Upon request by a client or prospective client
  - B. At least quarterly
  - C. Where required by statute
  - D. As a matter of discretion
24. A CFP Board designee shall inform his/her employer, partners or co-owners of \_\_\_\_\_ in connection with his or her services to clients, which are in addition to compensation from the employer, partners or co -owners for such services.
- A. Compensation or other benefit arrangements
  - B. Outside hobbies
  - C. Social activities
  - D. None of the above
25. In the more rare case where a financial planning practitioner lends funds to a client, the CFP Board (BOPR) will presume that the practitioner is
- A. Not acting in the best interest of the client
  - B. Acting in the best interest of the client
  - C. Likely to be sued
  - D. Incompetent